



Final Program Report

ProMedia II/Croatia
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I. GENERAL BACKGROUND

“President Tudjman is recovering successfully and it is expected that he will resume his functions soon.”
December 3, 1999, Central Daily TV bulletin on HRT (Government-controlled state television).

“Cerebral functions ceased yesterday evening. President Tudjman has died.”
December 3, 1999, *Vijesti Dana* on CCN (USAID/IREX-funded independent TV network).

The Croatian media landscape was never to be the same again.

Of all of the former communist countries in Eastern Europe and the former Soviet Union, the former Yugoslavia was the only one with at least some tradition of a free press. Due to some specific features of Titoist socialism, and to a certain measure the openness towards the West, the countries of ex-Yugoslavia had randomly developed “pockets” of media freedom. Although these pockets were often of a temporary nature and were heavily dependent on the tolerance of the political structures, they did leave a notion of what the concept of free media meant.

In the case of Croatia, these periods of media freedom emerged for short periods of time and in limited form towards the end of the 1960s and the beginning of the 1970s, and again at the end of the 1980s. The level of media freedom in the period between 1988 and 1990 could be compared to a lower level of Western standards. It was a time when the old regime was too weak to repress the media and to remain in power, while the new regime was still too weak to take over.

The early 1990s put a stop to the democratization of media. Instead, the process was reversed. Rigid government control combined with brutal war propaganda became the norm. Nevertheless, even in this kind of environment, free media managed to survive through the outstanding professional efforts of a group of dedicated journalists and substantial financial donor support provided by USAID, Open Society Institute, and European donors. These efforts could not hope to overcome the Tudjman regime’s strong control, but they were resilient enough to save the nucleus of free media and independent journalism.

By September 1999 (the beginning of the ProMedia II program), Croatia was practically an isolated country. It was characterized by rigid control over most of the media and sometimes even overt pressure over a small number of independent media outlets. Government-controlled television was the only TV broadcast with national coverage, exploiting its monopolist position to spread open propaganda - thus representing “the main” or “the most important source of information” for more than 80 percent of the population. Private national Television channels were illegal. Most of 120 radio stations were controlled by the regime’s cronies; only a dozen of them resisted, opting to promote independent editorial policy and withstand the regime’s oppression. Only international support – or, as in the case of Radio 101, massive public support – helped these independent stations to keep their licenses and continue to broadcast.

Independent print media outlets faced a specific, but a very efficient type of pressure. Namely, the only nationwide distributor of print media, Tisak (owned and controlled by the regime), was deliberately late in paying the independent media for its sold circulation, thus keeping them

always at the brink of financial collapse. Some of the most outstanding independent papers survived this period only due to direct financial support from international donors, regardless of their relatively high circulation. In addition, there were more than 2,000 cases pending against a handful of independent journalists in Croatian courts. Some of them had alone more than 100 pending cases against them. More brutal examples of violence directed against independent journalists were far from being just an exception.

In short, Croatia was a country with a very poor record in regard to media freedom, political tolerance and human rights in general. This situation was reflected by its status as a pariah within the international community.

That was the starting position of the ProMedia II mandate. Parliamentary and presidential elections in January/February 2000 had dramatically changed the political environment in Croatia, both in the country and in its relations with the international community. Within a span of only a few months, a former pariah country became a partner of the international community in promoting stability in the region, as well as in implementing the basic values of democracy within its borders.

However, Croatia's proximity to the West and a general political tendency to accept democratic values did not necessarily mean that the country had suddenly become a "democracy" in the full meaning of the word. Probably the best example to illustrate the discrepancy between proclaimed principles and the real "on-the-ground" situation was the status of the media.

After a decade of overt repression by the late president Tudjman and his cronies, most of the journalists expected that a new, democratic government would consider changing the media environment as one of its first political priorities. Indeed, and as expected, overt repression and/or suppression of the media had stopped immediately after the elections. Nonetheless, a profound transformation of the legal and business environments, vital for a normal functioning of non-governmental media, did not occur. Even more concerning, the government emanated a number of signals demonstrating its deliberate/non-deliberate misunderstanding of what the role of the media in a functioning democracy should be.

Not more than two months had passed since the January 2000 elections when a high government official expressed his disappointment with the media's "attitude," because he had expected the media to be an "ally of the new Government" in promoting its initiatives instead of "only criticizing it." A Deputy Prime Minister was even blunter, accusing the media not only of performing "dirty work," but also of "attempts to destabilize Croatian statehood." With a lot of a good will, one could still interpret those as unfortunate and ill-considered statements, with a limited overall impact on the media scene. But a combination of the government's lack of initiative to change the legal and business frameworks for the independent media on one hand, and a visible attempt to reinforce the role of state controlled media on the other hand, could only lead to the conclusion of the government's lack of competency, and even deliberate attempts of pursuing restrictive media policy.

A further problem was the fact that local governments, in most of municipalities, continued to remain in the control of the former regime. That made the position of the local media in some of the cases even more complicated than earlier, thus increasing pressure on them in the 1990s.

When it comes to print media, in April 2001 the government imposed VAT on returned (unsold) newspapers, which created a new and substantial financial burden for the publishers but also

made Croatia one of few countries in the world with such a restrictive legislation. The government still owned and heavily subsidized two national daily papers. In spring 2001, it entertained the idea to transform the national Tisak distribution network into a state-owned company, which would have been just another danger to the normal distribution of the independent press.

An entirely separate issue is the government's policy toward electronic media, especially TV. In 2001, the national broadcaster in Croatia (HRT) was still a main source of information for almost two-thirds of the population, which clearly illustrates its importance to the ruling administration, regardless of the government's political orientation.

With almost a one-year delay, in early February 2001, the parliament adopted the Law on National TV (HTV). The procedure and different government maneuvers in adopting the Law clearly indicated that they did not want a profound change of HTV into a public broadcaster, but rather a slightly modified concept of a government controlled state broadcaster. It was not until the intervention of the international media watch institutions (including IREX ProMedia), only a few days before the actual adoption of the law, that the government changed some of the provisions in the draft law, i.e., the ones that would have subjected HTV to the strict control of the parliament. Even with these forced last-minute changes, the new HTV Law defined HRT as more politically controlled than a public broadcasting service should be.

Some other political decisions – for example, the unique case of providing HTV a VAT-exempted status and pardoning USD 20 million of accumulated and non-paid VAT – clearly showed that the government wanted as much firm control over the state broadcaster as was possible. Tax exemptions, mandatory subscription fees and direct government subsidies enabled HTV to practice a dumping policy in advertising, thus heavily distorting the advertising market at the direct expense of commercial broadcasters. The HRT Law allowed the state broadcaster to use up to 12 minutes per hour of the commercial time during the primetime program. Just as a comparison, other state broadcasters in similar markets (Slovenia, for example) have “only” up to four minutes per hour.

At the same time, the government did not show any substantial initiative to finalize the Telecommunications Law, a crucial legal framework for independent broadcasters. In the fall of 2000, the government released one of the drafts of the Telecommunications Law, with a provision that would have seriously limited networking and news sharing among the commercial stations, effectively leading to network extinction. Following pressure from the local broadcasters, supported by international institutions (including IREX/ProMedia II), the government promised to change that provision. Yet, the future Telecommunications Law is still in draft form, seriously limiting the commercial broadcasters from functioning as normal businesses.

Related to the above set of problems belongs the government's total lack of effort to change (or to make more transparent) the licensing procedure for private broadcasters. For almost half of the private TV stations, and for one-third of the radio stations, the licenses already expired or were about to expire during the period of early 2000 through the end of 2001. Without strict regulations on renewing broadcast licenses, all broadcast outlets would be operating in a kind of legal uncertainty, which in return would directly affect their business results.

Another crucial issue remains the exorbitantly expensive fees for copyright and music rights, which are charged by the only institution in Croatia that is authorized to collect the fees. One

analysis has shown that a local radio broadcaster in the city of Split (population of 250,000) pays almost the same copyright and music fees as a station in Milan (Italy), with the coverage of about 3,5 million (not to mention the difference in per capita income, etc). Similarly, a local TV broadcaster in Zagreb pays about 15 times more for music rights than a comparable broadcaster in Trieste (Italy). This is obviously an unbearable situation for the broadcasters. The government did not respond, yet, to the numerous initiatives that have originated from associations of broadcasters to change the respective laws. So far, they provide a complete monopoly in setting the rates and collecting the fees to one monopolist institution.

It would be unfair to conclude that the Croatian Government during the period 2000 to 2004, i.e., during most of the ProMedia II mandate, continued to exert pressure, if more subtle, on independent media as its predecessor had. It would be closer to the true state of affairs to say that the Croatian government did not want to give up easily the idea and practice of controlling the media.

One of the lessons learned thus is: it is easier to change the government than the mentality of politicians. This is why the ProMedia I & II programs, actively supported by a large group of media partners and clients, was so important in altering the Croatian media landscape and, consequently, bringing Croatia closer to a higher, international standard of democracy, media freedoms and human rights in general.

II. PROMEDIA II/CROATIA RESULTS FRAMEWORK

Since the design of the ProMedia II Cooperative Agreement (CA) in early 1999, the Croatian media sector underwent significant changes that required a revision of the results framework and program description for the CA. The ultimate goal of the program has been to provide Croatians with balanced sources of information by strengthening the independent media sector. To achieve this, the project successfully developed the country's only independent television network and independent radio network. Simultaneously, the project created the Association of Independent Television (NUT), the Association of Independent Radio (AIR), and the Association of Publishers of Local Papers (APLP), and has worked to strengthen the Croatian Journalist Association (CJA). These associations have contributed to a public and professional dialogue on media legislation particularly as that legislation pertains to the interests of the independent media sector and has resulted in successful attempts to write legislation that supports independent media. To complement and supplement the work of the associations on media law reform, IREX initiated the Media Advisory Committee (MAC), a group of experts that reviews and comments on draft legislation.

ProMedia II has also worked with journalists to develop or improve their journalistic skills and has provided media managers and owners with business expertise that will allow them to increase revenue, decrease costs and improve the chances of self-sustainability for independent media enterprises in the print and broadcast sectors.

The changes that have taken place in Croatia have lead to a relatively liberal media environment. However, legislation remains in place that could reverse achievements in the media sector. Moreover, current legislation could stifle the independent or commercial media sector. The country's new media law, the law on the state broadcaster Croatian Radio and Television (HRT) and the law on telecommunications are all pending legislation that could threaten Western standards of fair and free press and impede commercial activity and foreign

investment in the media sector. As HRT is structured today, it is allowed to compete unfairly with commercial and independent media for advertising revenues and is poised to extend its influence over the entire broadcast sector.

The revised program description for ProMedia II was prepared based on two sources. The first was the new Performance Monitoring Plan (PMP) for USAID/Croatia completed in March 2002. The second was an independent assessment of the ProMedia program, which was funded by USAID/Croatia and conducted by Management Systems International, Inc. (MSI) under the terms of a USAID IQC for assessments and evaluations. Under the revised program description, IREX continued to work within the same major areas defined in the original ProMedia II CA, but changed the level of effort and budget allocated to each.

ProMedia II Revised Objectives

ProMedia II focused on four areas of the media sector: network development, quality of journalism, legal reform, and association building. The revised program description shifted the emphasis of the project from network and association development to legal reform and the quality of journalism. IREX pursued both legislative reform and higher-quality journalism under the auspices and leadership of the Croatian Journalists Association (CJA), the Association of Independent Television (NUT), the Association of Independent Radio (AIR), and the Croatian Commercial Network (CCN), thereby continuing to strengthen these associations and networks, and introducing them to a new role as advocates for the independent media sector.

Under the new USAID/Croatia PMP framework, the ProMedia II program contributed to Strategic Objective 2.1: More Effective Citizen Participation and Improved Governance, under Intermediate Result (IR) 2.1.2: Sustainable and Balanced Commercial Media.

ProMedia activities fell under two sub-IRs:

- IR 2.1.2.1 – Journalists' Professional Standards Improved
- IR 2.1.2.2 – Management and Business Capacity of Media Organizations Strengthened

Activities within the sub-IRs fell under the following topical areas:

Network Development (previously IR1) – Through the ProMedia II program, IREX provided significant assistance to the independent television and radio networks (CCN and AIR) in Croatia to allow them to achieve self-sustainability, to maintain their competitiveness against the state broadcasters, and to demonstrate best practices for the independent media sector.

Quality Journalism (previously IR2) – A myriad of factors have contributed to a media landscape that includes distorted market conditions, a lack of student news outlets for aspiring reporters, a flawed journalism curriculum within the university system, a circulation war that produces lowest-common-denominator coverage and short-sighted owners who do not make training a priority for their journalists and editors. By working with individual media outlets, as well as networks and associations, IREX/ProMedia assisted with the overall improvement of journalism in Croatia in order to ensure that the media sector would provide the balanced and necessary information that citizens need to make informed choices for the decisions they face in a liberal political and economic environment.

Legislative Reform (previously IR3) – The flawed and underdeveloped legal environment in Croatia discouraged foreign investment in the print and broadcast markets. Journalists, media managers and civil society activists began to identify these legal issues but were not able to organize themselves effectively to influence pending legislation and regulatory practice. With IREX/ProMedia assistance, media associations and a media advisory committee began to lobby and advocate for legislation that would protect independent media. Part of this process included developing a productive working relationship with the Ministry of Culture and other bodies of the Government of Croatia (GOC) involved in the reform of media legislation.

Association Development (previously IR4) – Local media associations such as CJA, NUT, and AIR contributed to the effort to monitor, track and influence media legislation. These associations became familiar with lobbying and advocacy skills and demonstrated their ability to become part of the effort to reform Croatian media legislation. IREX also worked with CJA, NUT, AIR and APLP to strengthen the associations' ability to maintain and expand services for their members, and to assist them with the development and implementation of strategic plans for future sustainability.

Some of the key accomplishments of the ProMedia II/Croatia program include:

Network Development

(IR1 Business Viability: Publishers and station managers effectively manage media enterprises.)

- CCN became the first independent national news broadcaster to compete with state-owned HRT, won numerous awards for best television news in Croatia during its first few years of existence, and reached self-sufficiency after only two years of donor support.
- The AIR network began providing Croatia's first national independent news programming for local radio in partnership with the BBC, bringing instant credibility to the radio network.

Quality Journalism

(IR2 Quality Journalism: Journalists provide citizens with objective, fact-based, useful information.)

- Following the publication of five handbooks for journalists — *Guide to Criminal Procedures, Proceedings in Civil Lawsuits; Proceedings in Juvenile Lawsuits; Media and National Security, and Investigative Reporting* – IREX sponsored over 25 training seminars for approximately 350 journalists throughout Croatia.
- With subgrant funding from ProMedia, staff in CCN's Zagreb office provided substantial training for employees of the network's member stations, significantly improving the skills of local broadcast journalists, cameramen, news anchors, editors, and program hosts.

Legislative Reform

(IR3 - Legal Environment: Legal and regulatory framework supports free speech.)

- A Media Advisory Committee (MAC), which is composed of representatives from various media associations, journalists, owners of print and broadcast media outlets, and professors of journalism and law, was established by IREX to review and comment on all media-related legislation.
- In cooperation with ABA/CEELI, an online database was created to provide information on all lawsuits against journalists and media outlets -- the parties in the case, the judgment sought, and the current status of the case. The online database is available on the CJA website (see www.hnd.hr).

Association Development

(IR4 - Association Development: Supporting institutions exist/function in the professional interests of media.)

- The National Association of Television Stations (NUT) successfully convinced ZAMP/HUZIP, the exclusive representatives of musicians and composers for the purposes of setting and collecting copyright fees, to lower their high fee schedules by approximately 75% for NUT members, demonstrating the advantages of united action through an association.
- The Croatian Journalist Association (CJA) developed and began implementing a strategic plan for future activities and member services, taking over as one of the main providers of journalism training in Croatia after the close of the ProMedia II program.

III. PROMEDIA II/CROATIA ACTIVITIES**NETWORK DEVELOPMENT (previously IRI: Business Viability: Publishers and station managers effectively manage media enterprises)**

Under ProMedia II, IREX assisted with the creation and development of two broadcast networks: the Croatian Commercial Network (CCN) and the Association of Independent Radio (AIR). Both networks now provide high-quality, independent and objective news coverage that is in direct competition with the state-run media. Through technical assistance and subgrant funding, IREX also contributed to the development of national print publications, as well as a network of local publications, and provided support for less expensive printing and distribution for print media. Both print and broadcast media outlets received business training and consulting which has enabled them either to become financially viable organizations or to move closer toward self-sustainability.

Croatia Commercial Network (CCN)

In 1999, Croatia remained in the grip of President Franjo Tudjman and his HDZ party. Media were repressed, journalists or media outlets who did try to take on the authorities were sued, prosecuted, and subject to various forms of subtle repression by the authorities through manipulation of tax, customs, and commercial codes. State television, Hrvatska Radio-Televizija (HRT), unabashedly represented the interests of the Tudjman regime. It remained the most powerful television thanks to the support of the state, the repression of independent media, and the inability to license either a national private station or a terrestrially-distributed network. In this environment, IREX worked with local Croatian stations to develop an alternative television network to break the monopoly of the state broadcaster prior to the January 2000 elections.

Beginning in the ProMedia I project and continuing into ProMedia II, IREX developed a networking method based on fiber-optic distribution of the signals between stations. Croatia had a well-developed fiber-optic network which could handle audio and video distribution. IREX paid for leasing costs to use the system and for the “last-mile” connections as needed for member stations to hook in to the fiber optic system. IREX also supported the development of the central studio, the governance structure of the network, and provided business and journalism consultations.

On December 2, 1999, CCN's news program, *Vijesti Dana*, went on the air as a ten-minute news bulletin. It was the first to report that Tudjman was clinically dead only one day later, defying the state's characterization of his health as recovering. Within 20 days, *Vijesti Dana* was a full twenty minute newscast with national and international news, sports, and weather. Over the next five years, CCN has continued to improve. It achieved sustainability within two years, has won numerous awards for its news reporting, and broke ground in reporting from the Hague Tribunal, exchanging news programs with Serbian and Bosnian stations, and providing balanced reporting on elections. While CCN's future is uncertain with the entry into the Croatian market of RTL Group, a major international broadcasting company which won the tender for a national channel, it served a vital purpose from its debut in December 1999 through the end of the ProMedia Program in 2004. It led the way in challenging the state television's near monopoly, providing better quality news and public affairs programming – reporting on the region, on crime and corruption, on the Hague Tribunal, on elections. It has also trained a generation of reporters

Technical and Administrative Development: CCN was begun as a response to the control of the Tudjman regime over the media and civil society. Citizens had access to very limited sources of independent news. Some local television stations strove for independent reporting but did not have the capacity to produce national news. Some papers were consistently independent but their circulation was limited. A small number of radio stations also sought to provide listeners with independent news and public affairs programming. However, HRT dominated with its national reach and national resources. Networking or national broadcasting was limited by the inability to obtain necessary licenses. IREX therefore pursued a strategy of using fiber optic to distribute the news, meaning local stations could broadcast CCN news without need of any additional licensing. Fiber optic distribution was not covered by existing laws. IREX initially purchased the necessary equipment and leased the fiber optic lines, retaining ownership but allowing stations use. This protected the investment and ensured that neither the government nor a station or group of stations could take over the investment without difficulty since it was protected by the USAID project.

However, IREX immediately began to develop plans to turn over control and assets to CCN (consisting of OTV Zagreb, ATV Split, STV Osijek, VTV Varaždin, Cakovec TV, Pula's TV Nova, and RiTV Rijeka), a process accelerated with the death of Tudjman and the ability to operate more openly. Initially the network was headquartered under the auspices of OTV in Zagreb, an issue of concern for many affiliates due to concerns over OTV's dedication to independence and its own desire to expand towards national coverage. IREX therefore worked to separate CCN from OTV and by the fall of 2000, the network was separated legally from OTV and operating independently. This was part of the larger effort to provide CCN guidance in development of an effective governance structure. With a central team based in Zagreb to produce news and market the network, and stations having rights within the network (one vote) and shares in the company, the network managed to achieve agreement in the summer of 2000 on this process.

Sales and Marketing: The financial viability of the network depended on its ability to attract advertising revenue. IREX worked with the network from its inception on developing its sales and marketing capacity. IREX resident advisor Jon Newstrom, Broadcast Advisor Charles Northrip, and Senior Media Advisor Davor Glavas worked with the network from its inception until 2002 to provide guidance on programming, advertising and sales, and marketing. IREX also brought two senior international consultants – Joseph De Groot and Graeme Moreland – to work with the station on these issues. De Groot worked directly with the sales staff and made sales calls with them, providing coaching in retaining clients, finding new clients, and packaging

advertising. Moreland worked on programming – developing a coherent programming schedule attractive to viewers and advertisers, and followed up on De Groot's consulting by working with the network and stations on sales coaching.

By January 2002 (25 months after the launch of CCN), USAID was able to end direct operational support to the network with the confidence it would survive. By this time, CCN had signed advertising contracts with some of Croatia's largest advertisers – including Zagrebacka banka and 24VIP among others.

Journalism: CCN has continued to improve and remains a leader in Croatian television news. When it began in December 1999, the competition for quality was limited – as evidenced by state television's reporting that Tudjman would recover and resume his duties when in fact he was clinically dead. CCN continues to seek to maintain its leadership in the quality of its news and public affairs programming, while still operating on a lean budget and with a small core staff.¹

The CCN news program *Vijesti Dana* won the "Best Television Program" award at the annual meeting of the Croatian Journalist Association in November 2001. In addition, Saša Kosanovic, a journalist from *Vijesti Dana*, was recognized as the best TV reporter for the year. Earlier that same year a survey conducted by Metron/Vectura agency was published in Croatia's largest-circulation paper, *Vecernji List*, and indicated that 47.6 percent of respondents liked the independent news broadcasts of CCN better than those of the state network (HRT). Only 31.1 percent of those surveyed preferred the government-owned channel. Two years earlier, surveys showed 85 percent of all adults in Croatia got their news from state television.

In 2002, CCN began to exchange news and programming on a regular basis with independent television stations/networks in Serbia (B92) and Bosnia (Mreza Plus) through a process facilitated by IREX. Dutch company Brokat Media Support served as the parent organization for this exchange and IREX worked with the three networks to ensure the project provided suitable equipment and support to the stations. The stations exchanged nearly ten stories per day, with eight stories being used in the only active news exchange in the region. CCN also worked to develop regional reporting projects such as three documentaries: "Regional Players," on the region's economic integration and new regional business initiatives; "The Final Death of Yugoslavia," a documentary on the deconstruction of the Federal Republic of Yugoslavia and the creation of the new state of Serbia and Montenegro; and "Murder in Belgrade," a documentary on the assassination of Serbian Prime Minister Zoran Djindjic and the role of organized crime in Serbia. These efforts broadened the CCN audience's access to news from the region, vital for an understanding of Croatian events given the commercial links between the states of the former Yugoslavia and, more disconcerting, the links between crime in the former Yugoslavia (e.g., smuggling and trafficking in persons and drugs, etc.).

CCN correspondents began to report from the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague in 2002 with support from IREX. IREX ProMedia Croatia facilitated logistical and technical arrangements for CCN to report from the Tribunal and IREX provided funding via a grant from the Charles Stewart Mott Foundation, which covered travel costs and other expenses related to maintaining a CCN correspondent in the Hague. CCN was

¹ In 2001, *Vijesti Dana* on CCN employed eight journalists, while HRT's news program was made by 503. CCN has two cameras and one car, while HRT had five people on one team only, plus a driver and a van. From the article 'Why is CCN News Better than HRT's News Program Journal,' by T. Klauski, January 20, 2001, supplement to 'A Profile of a Policy,' pg. 16.

the only Croatian media outlet to provide live coverage of the Slobodan Milošević trial and to broadcast the live testimony of Croatian President Stipe Mesic, who was the last president of Yugoslavia before the 1991 breakup. The network also provided live ICTY reports daily during its main newscast *Vijesti Dana*. CCN continued to cover ICTY activities throughout 2003 and 2004 with the administrative support of IREX and financial support of Press Now and the Charles Stewart Mott Foundation (via IREX).

IREX also supported CCN's efforts to directly report on the events in Iraq. CCN reporter Robert Valdec, equipped with only a portable camera, was the first journalist from the region to cover live events in Baghdad. Due to a generous offer from Sky News, Valdec had access to Sky News' satellite uplink to transmit his feeds back to CCN in Zagreb. CCN then distributed all received feeds to its regional partner networks in Serbia (B92) and Bosnia-Herzegovina (Mreža Plus). Each of Valdec's reports was specifically tailored to the three networks, including three different "stand-ups."

In a spectacular development at the end of March, however, the Iraqi government expelled Valdec from Baghdad. He was ordered to leave Iraq in retaliation for sending a banned report back to CNN. After the expulsion by Iraqi authorities, Valdec continued to provide reports to CCN, B92 and Mreža Plus from Amman, Jordan, and from the Jordanian/Iraqi border throughout April 2003. CCN's reporting activities from Iraq not only resulted in a higher audience share and increased professional prestige, but also in very favorable coverage in both the local and international press.

Finally, IREX assisted in organizing the coverage of the national elections in November 2003 on CCN member stations. Special election productions on CCN totaled approximately 27 hours, including nine panel discussions with representatives of the most important political parties and nine hours of individual presentations of the strongest political parties via a "call-in" format.

CCN was also the only broadcaster that aired a direct live TV debate between leaders of the SDP and HDZ political parties for the Croatian audience, with three repeated showings on the network afterwards. This TV debate resulted in extensive coverage in daily papers with excerpts from the debate, multiplying the overall effect of the event. Coverage of the elections was completed two days before Election Day with live two-hour call-in discussions with both the Prime Minister and the President of Croatia. The public broadcaster HRT and the only other commercial national TV station, Nova TV, failed to offer their audiences even remotely similar election coverage.

The AIR Network

Similar to CCN, the Association of Independent Radio (AIR) Network was conceived as a means to develop and support independent radio broadcasting in Croatia and to challenge the state's dominance over radio news. IREX worked with AIR member stations to link 12 stations by satellite through a hub in Zagreb for the broadcast of news and public affairs programming across the country. As the project began to take shape, AIR and IREX reached agreement with the BBC Croatian Service to produce the news for the network, using an all-Croatian staff with final editorial oversight by the BBC in London. The network's first news aired on April 30, 2001 on the now 11 members of the network. By the fall of 2002, IREX handed off the responsibility for satellite connection and broadcasting to AIR and the BBC. In 2004 the network's BBC news became entirely locally produced, now run by IREX's former Chief of Party Davor Glavas.

Administrative and Technical Development: IREX, drawing lessons from the development of CCN, helped AIR found a separate commercial company, Radio Program D.O.O., that served as the owner of the news production and distribution for the network. This allowed the network to undertake commercial operations (i.e., advertising and production) that an association could not. IREX paid for the offices, operations, and an administrative staff for the network and worked with AIR on the management structure of the network. With IREX's advice, the management was kept simple and staffing minimal. Stations had a say in the overall operations of the network but did not manage the day-to-day operations, which were handled separately. The stations reached an agreement on a revenue-sharing scheme and divided any revenue earned proportionately among the member stations.

The technical development of the network necessitated satellite transmission to work effectively. IREX contracted Loral Cyberstar, a US satellite provider for network time. Loral installed turnkey equipment and maintained it at all sites. Once AIR and the BBC reached agreement to work together, the central Zagreb office served to produce and package news that was then distributed out of BBC London. With the full handover of the project to AIR and the BBC, IREX negotiated an end to the Loral contract and AIR began working with the satellite provider OiV. By 2004, the AIR/BBC Croatian Service operation was totally Croatian controlled.

Journalism: As stated above, the primary reason for developing the AIR network was to provide an alternative and independent source of radio news to Croatian citizens. The local stations that formed AIR did provide their own local news, but no truly independent national news existed, leaving state radio to dominate the field of radio news. IREX's initial intention was to create a network newscast similar to the CCN model – a small and efficient central hub to produce independent national news, edit local stations' content into a national newscast, and receive and broadcast information from international news agencies. However, as the project developed, the opportunity to work with BBC Radio provided a unique alternative. The BBC Croatian Service was contracted to produce the news for AIR, providing instant credibility as no one could claim that the service was in any way influenced by Croatian politicians or business interests. Additionally, the BBC provided significant cost-share funding to the IREX ProMedia program by covering costs for the newsroom operations and taking over costs for renovating the studio.

The BBC/AIR schedule includes hourly five-minute newscasts from 7:00am to 7:00pm Monday through Friday. A five to ten-minute module on specific topics such as economics/business, cultural events, and sports follows some of these newscasts.

AIR also sought to broadcast special programming. In December 2001, with IREX assistance, AIR signed a contract to broadcast talk shows and news modules for the USAID-funded Pension Reform Public Education Project. Carl Larkins, head of the Pension Reform project, indicated that the use of the AIR network had been to great effect for their program. "All of the feedback is good, from the Minister, to the managers, to the advertising consultants," Larkins said. "The creation of a virtual radio program made it possible for us to communicate with the real people – the people from the villages and cities – very positive great feedback, and we want to do more."

Assistance to Novi List Network

In the fall of 1999, IREX brought consultant Larry Persily to Croatia to work with Dubrovacki List, a weekly newspaper based in Dubrovnik, and the only independent media in that region of Croatia. The paper was struggling not only with the problems shared by any newspaper in

Croatia (e.g., distribution through Tisak, high VAT taxes, low circulation, and poor cash flow), but also with the significantly depressed Dubrovnik economy. Persily's scope of work involved mostly assessing the situation and gathering information for future technical assistance, but he was also able to make important strides toward improving the paper by suggesting a redesign of the front page in order to make it more attractive to readers and increase the more lucrative street sales.

In addition to his consulting advice, Persily also offered the newspaper a substantial financial donation, which, in combination with a small subgrant from IREX, provided approximately half of the funding needed for the purchase of a delivery truck. During his initial assessment of the paper, Persily identified the high cost of printing in Dubrovnik as the cause of one-quarter of the paper's monthly losses. The delivery truck allowed Dubrovacki List to print at Novi List's printing plant in Rijeka and transport the printed editions back to Dubrovnik for less than what it would cost to print the paper in Dubrovnik.

Persily completed his first assignment with Dubrovacki List in early January 2000, and IREX staff continued to monitor the paper's progress through periodic examination of circulation numbers and review of its balance sheets. Dubrovacki List steadily increased circulation, but its advertising income remained spotty. The paper also remained in need of capital, having begun its existence under-capitalized. However, with IREX assistance, Dubrovacki List joined the growing list of Croatian media outlets that had developed and adopted a business plan.

As a follow up to his work with Dubrovacki List the year before, Persily visited the weekly paper again in December 2000. He provided on-site training and consulting in all aspects of the paper's operations, from improving the quality of journalism through better writing and editorial content, to further increasing the level of business management, business planning, and production. Persily reported that the paper was in better financial condition due to better management, the circulation had increased, and the debt accumulated was less than it was the previous year.

Per IREX recommendations, the paper improved its story selection by changing its focus away from national politics to local news. With the increase of local content the circulation increased. However the weekly paper still carried debt, and was not yet to the break-even point and accounts receivable were high. Nonetheless, the paper was doing well and constantly explored ways of increasing revenue and decreasing expense.

Davor Glavaš, then IREX Local Media Advisor, continued IREX assistance to Dubrovacki List throughout 2001 and 2002, advising the general manager and reviewing the newspaper's operations. High printing expenses again emerged as one of the biggest problems, consuming approximately 65 percent of the cover price, with distribution costs accounting for another 28 percent, leaving only 7 percent of the cover price as income. Additionally, the quality of printing was not satisfactory, and the existing Monday deadline for a Wednesday publication date constituted another problem for the paper.

Although utilizing Novi List's printing press was a great solution at the time when chosen, Novi List subsequently abandoned plans to expand the network of its editions to Dubrovnik, which made Dubrovacki List a less attractive partner to Novi List than previously. Other new presses began offering better prices and more convenient deadlines, so IREX recommended the paper check terms and prices of other presses in Croatia and Bosnia, which could be better suited logistically, geographically more desirable, and substantially cheaper.

As a result, other Croatian papers began looking for the best quality printing at the lowest price. The weekly paper Posavska Hrvatska (Slavonski Brod) decided to use a printing press in Banja Luka in the Serbian Republic of Bosnia and Herzegovina, which offered better quality and a cheaper price compared to the Glas Slavonije printing press. It is particularly important as an example not only of cross-border cooperation, which was very much needed in overcoming post-war tensions between Croatia and Bosnian Serb Republic, but also as an illustration that sound business practices know no political boundaries. The owner of the Posavska Hrvatska paper is well-known for his strong ties with local HDZ politicians; still, he was the first to have his paper printed in Banja Luka.

Dubrovacki List signed a contract with a printing press in Zadar, after first checking prices and terms for printing the paper in Banja Luka. Based on Banja Luka's offer, Dubrovacki List was able to negotiate a better deal in Zadar, saving almost 40 percent on printing and newsprint expenses. Both papers, as well as others, are still benefiting from the competition in the region and the orientation to go for "package deals" with printing presses in Croatia and elsewhere, primarily in Bosnia.

Glavaš also worked with Dubrovacki List to improve its layout and business operations. Based on IREX's recommendations, the newspaper simplified its layout, placed its articles more strategically and created catchier headlines. During early 2002, the new look and format of the paper attracted more readers and as a result, the newspaper increased its circulation by 12 percent. Dubrovacki List also revamped its operations and reduced expenses, which improved the profitability of the newspaper in conjunction with the increase in circulation. At the end of IREX's direct technical assistance and support to Dubrovacki List during the last fiscal quarter of 2002, the weekly newspaper had doubled its circulation over a period of two years. Thanks to the increased circulation and an approximate 40 percent decrease in printing and newsprint expenses, Dubrovacki List has been able to consolidate its past debts and secure its financial viability.

During his trip to Croatia in December 2000, Persily also visited the Karlovacki List in Karlovac. In his assessment, Persily emphasized the paper's strong dependence on the Novi List Network. Therefore, he recommended one-time assistance in the form of an equipment grant to allow better local coverage. (Note: The title of this activity "Assistance to the Novi List Network" is a misnomer; Karlovacki List is indeed part of the Novi List Network, but Dubrovacki List is not.)

Media Outlet Websites

IREX's focus on the development of web sites reached its logical conclusion in the summer of 2000. At that point in time, there were only three independent media outlets that were eager to launch web sites and explore options and possibilities of the e-market – Feral Tribune, Nacional, and Radio 101. Other publishers did not show any interest in entering this market, IREX provided assistance to the few independent media that did.

Feral Tribune utilized equipment and software provided by IREX under ProMedia I to develop its initial website, and has since created an e-commerce division, which sells subscriptions to the newspaper as well as its popular (and profitable) books. Feral Tribune has been quite successful at developing its web services (see www.feral.mdif.org), which are very successful and provide a substantial portion of the paper's visibility.

The weekly publication Nacional also used IREX-provided equipment, and its web page offers an English section (see www.nacional.hr). However, the initial development of the site did not go smoothly due to incompatibility issues between the software for the print and electronic versions of the paper, as well as inefficient production. The solution was to merge the production of the printed paper with that of the web site, which proved to be very cost effective and allows for getting the news on the Internet in a more timely fashion. Nacional now runs a very successful and content-rich web site, which is among the best Croatian e-publications.

Under ProMedia I, Radio 101 launched a US-based server at www.radio101.com. In the summer of 2000, the station moved the service back to Croatia and updated the site to include information on advertising and rate sheets. IREX staff provided some assistance to the station for this project. The Radio 101 website is currently the strongest website when compared to any other Croatian broadcaster.

Media Outlet Staffing

Initially, USAID and IREX intended to conduct several activities that centered on reform at the state-owned and operated Croatian Radio and Television (HRT) under the auspices of the ProMedia II program. Reform of HRT was necessary in a number of categories, including quality of content and news production, balance and objectivity of product (i.e., de-politicization), staff reduction, and privatization of significant parts of its operations and frequencies. Then Ambassador William Montgomery made arrangements with representatives of HRT and the Croatian government for IREX to perform an assessment of HRT operations and make recommendations for better performance and partial privatization.

For the assessment, IREX retained the services of Diane Asadorian, an independent consultant who has worked with both commercial and public television in the United States, and Richard Ayre of the BBC. IREX staff member Jon Newstrom led the team. Asadorian traveled to Croatia twice during the spring of 2000 and focused on the commercial aspects of HRT, looking at marketing, legal, production, management, and privatization issues. Ayre coincided with Asadorian on her second trip and concentrated on the HTV news department. Newstrom assessed the performance and privatization possibilities of the radio component of the HRT operation, as well as the technical department of HRT. The results and findings of the three-week, on-site assessment were presented in a report to the office of the Deputy Prime Minister and the top management of HRT.

At the request of the US Embassy to Croatia, the report was direct and straightforward. Essentially the report showed that HRT was not atypical of many Croatian media outlets. Although the broadcaster was demanding higher subsidies from the government, its problem was not a lack of revenue but rather one of excess expense, spending over one million dollars more than it receives every month. Among other areas in which HRT could increase efficiency and reduce expenses, the main problem was too many employees: 3,500 full time and regular employees and over 2,000 part time or "contract" employees, many of whom did not do any work, but still received payment. Unfortunately, at the time, HRT's new general director was unwilling to fire employees because of the social impact such layoffs would create.

While the assessment team was on-site, HRT gave its main news program a face-lift. Although touted as a complete reorganization, it consisted mainly of a change in talent. IREX believes that most of the credit for the changes should go to the new competition from CCN's news

program Vjesti Dana, which seems to have had more impact on HRT reform than the assessment report. The HRT journalists and news staff continued to miss important stories and, in some cases, was stealing news directly from Vijesti.

The report gained some attention in the Croatian press (Globus and Nacional), and IREX received requests for the report from the EU and other diplomatic missions to Croatia. At face value, the assessment report did not have the intended results of serving as an inspiration for and guide to reform. HRT did very little toward meeting the goals established in the report, and, in fact, took several giant steps backwards in several areas. However, the report did have a small effect in the right places as USAID distributed the report more widely in the Sabor and the Croatian government. At a public forum on the draft laws on telecommunications and HRT, the director of HRT, Mirko Galic, said the problems at the state broadcaster were so large he did not know what to do. One attendee commented that everything he needed to do was outlined in the IREX assessment report.

Returns Control Bureau & Tisak Reform

In late 2000, IREX and the Dutch NGO, Press Now, agreed to conduct a joint project on the reform of Tisak, the state-owned and -operated newspaper distribution system of kiosks throughout Croatia. IREX intended to fund the Croatian Journalist Association's (CJA) efforts to conduct a business study of the newspaper distribution chain. This study was seen to be a very important component of Tisak reform, as an independent review of Tisak's business practices would provide information to the Croatian public and government on the status of the company, and thus encourage action toward reform. However, IREX postponed the study after the government announced that Tisak would be privatized, an action that was expected to be one of the key recommendations of the study.

The situation with Tisak changed considerably in 2001. Although it still had to settle past arrears, Tisak began making regular payments for the distribution of print publications. Previously, Tisak was notorious for its deliberate delay in payments, primarily to independent publishers. Delays in payments or even non-payment were deliberately used by Tudjman's regime as a powerful tool against independent publishers. Despite the Feral Tribune's large circulation in the late nineties, which should have guaranteed normal operations with regular payments from distribution, the paper survived Tisak's policy of deliberate non-payment and delayed payment only due to direct financial support from international donors. The plan for the privatization of Tisak was adopted by the government in 2001, after democratic changes in the 2000 parliamentary and presidential elections, as it was considered the best solution for consolidating Tisak's debts and introducing normal, depoliticized functioning of the distribution network. IREX provided assistance through the CJA and the Publisher's Association during the initial phase of the Tisak transition and helped to point out key problems and potential solutions.

In December 2001, the Croatian government appointed a management team to complete the process of Tisak's financial consolidation. During this period, salaries and trade union activities were substantially reduced and all financial transactions were geared toward paying-off the company's debts. After the painful transition, Tisak became a financially viable enterprise in the spring of 2002. Due to its huge debt to individual creditors, – reportedly as high as \$60 to \$65 million – Tisak's management offered its biggest creditors compensation in the form of Tisak shares. The two biggest publishers in Croatia, Europa Press Holding (EPH) and Vecernji List, as well as the Rovinj Tobacco Factory (the biggest supplier of cigarettes to kiosks), each transferred its financial claims against Tisak into 25.7 percent of the total Tisak shares. Smaller

publishers were also offered the option of trading their Tisak debt for shares, or accepting payment in six to 24 monthly installments.

In theory, this should have been the best solution to Tisak's problems. However, the new distribution of Tisak shares opened up the possibility for each of the three biggest owners to buy shares from one another and gain control of more than 50 percent of the company's shares. This was an inadvertent consequence of the necessary Tisak reform. Since its financial consolidation in 2001 and 2002, and the subsequent business transition and changes in the company's structure, Tisak has been functioning as a business-oriented, fair and competitive agent on the print press market.

The Association of Publishers of Local Papers (APLP)

In April 2002, several Croatian newspapers founded the Association of Publishers of Local Papers (APLP) - Udruga Izdavaca Lokalnih Glasila Hrvatske - at an IREX-sponsored meeting in Dubrovnik. The association was formally registered in the spring of 2002. The general manager of Dubrovacki List, with the assistance of IREX Local Advisor Davor Glavaš, took the lead role in the association, which centers its activities in these three areas: 1) lobbying for better treatment of local newspapers within the legislative framework and making their positions on issues known to local governments, 2) facilitating bulk acquisition of newsprint and combined usage of printing press services in order to lower prices, and 3) generating joint productions and sharing weekly supplements (e.g., TV listings, financial information, sports, entertainment news, comics, etc.) and articles by prominent columnists. The association makes it possible for the papers to share costs, provide better regional coverage, and become more financially viable.

APLP members currently include the following 11 newspapers: Dubrovacki List (Dubrovnik); Glas Istre (Pula); Istarski Glas (Labin); Varaždinske Vijesti (Varaždin); Čakovečki List (Čakovec); Posavski List (Slavonski Brod); Otok Ivanic (Ivanic Grad); Glas Slavonije (Osijek); Karlovački List (Karlovac); Narodni List (Zadar); Novi Bjelovarac (Bjelovar); Posavska Hrvatska (Slavonski Brod); Medjimurske Novine (Lendava); Viroviticki List (Virovitica); Vinkovački List (Vinkovci); Svetonedjeljski List (Sveta Nedjelja); Šibenski List (Šibenik); Samoborske Novine (Samobor); Požeški List (Požega); Makarsko Primorje (Makarska); Imotska Krajina (Imotski); Goranski List (Delnice); Glasnik Tropolja (Velika Gorica); Glas Podravine (Koprivnica); Ogulinski List (Ogulin); Novljanski Vjesnik (Novalja); and Moslavacki List (Kutina).

Following formal registration, the association immediately began negotiations with the Nezavisne Novine printing press in Banja Luka, BiH, to print some of the APLP member's newspapers in order to lower the printing and transportation costs. APLP members also discussed a plan to move the printing of all or most APLP publications to one printing press in order to obtain better rates for both regular weekly printings and special insertions and supplements. By actively searching for more competitive bids from other printing presses in the region, the Association and individual papers were able to negotiate better offers from existing printing houses. Posavska Hrvatska did turn to Nezavisne Novine to print its paper, although Dubrovacki List and Čakovečki List remained with the printing press in Zadar, which reduced printing expenses by almost 40 percent and contributed substantially to the papers financial consolidation. The final candidate for a package deal for other papers and APLP supplements was the Zadar printing press, which offered the best quality, most competitive prices, and other favorable conditions.

APLP also prepared documents for the legalization of software used by member papers. This project was part of the national campaign for legalization of commercial software. A proposal was submitted to Microsoft/Croatia and other owners of software licenses. Microsoft accepted the APLP proposal and APLP members were able to legalize their software at rates that were less than 1/3 of the regular commercial rate, saving up to approximately \$40,000 for the association's members.

In a letter to the national print distributor, Tisak, the APLP expressed its disapproval at the distributor's plans to raise its commissions on the sale of papers in the fall of 2002. APLP asked the Tisak management to reconsider its decision, since it could jeopardize the financial stability of the smaller publishers. After repeated warnings that the APLP would inform relevant Croatian and international institutions if Tisak insisted on taking advantage of its monopolist position by implementing its announced fee raise, APLP wrote a letter of protest to the government of Croatia. This action, which was supported by CJA and Publisher's Association, resulted in the withdrawal of Tisak's plan to raise its commission rates.

As none of the local weekly papers belonging to the APLP penetrated the markets of the other association members, IREX provide technical assistance to the newspapers to develop a means for sharing content and decreasing costs, while increasing both the quantity and quality of information they could provide to their readers. IREX hired two local consultants (one graphic designer and one computer expert) who worked with the 10 participating papers to create an FTP (File Transfer Protocol) Internet site, which allows the member papers to access articles, special sections, and supplements (e.g., business/economic sections, lifestyle sections, auto sections, horoscopes and crossword puzzles). CJA offered the APLP the right to use to its server for only a minimal monthly maintenance fee.

In the spring of 2003, *Dubrovacki List* was the first APLP member to implement the new graphic and lay out design created by graphic designer and IREX consultant Danijel Popovic. Popovic then worked with IREX's computer consultant to prepare the software applications and protocols that enabled all members of APLP to access the shared Internet database, and provided a series of training seminars for the local papers' graphic designers. The FTP website is user-friendly in its design, and allows papers to download content from the FTP site in a simple text format and insert it directly into their publications. In October 2003, APLP members started to use the FTP protocol to share content and to download national, international, business and entertainment news prepared for them especially by the CCN news team. Since its launch, APLP members have used the FTP site on a regular basis.

In early September 2003, APLP and IREX selected four media managers to provide on-site business consultancies at APLP member publications. All of the managers/consultants were successful local media experts who had run comparable media outlets in business environments similar to those of APLP's members, and who possessed first-hand experience in dealing with the problems of local publishers. These consultancies helped the papers decrease expenses and increase efficiency.

In October 2003, IREX funded and helped prepare an election supplement for APLP members. The supplement was printed with funds from GONG, a well-respected Croatian grassroots NGO for election monitoring, and distributed to APLP members. It contained all the relevant information on elections (where to vote, how to vote, regulations on absentee voting, procedures for when a voter's name is not listed, etc.). About 55,000 copies of the supplements were distributed and inserted into the local papers a week before the elections.

Business Planning and Training

Beginning in the fall of 1999, IREX consultant Gordana Svirac provided business planning assistance to the radio stations in the Dunav (Danube) River region of Croatia. Svirac worked with the Dunav stations – Radio Dunav (Vukovar), Radio Borovo (Borovo Selo), Croatian Radio Vukovar, Radio Baranja (Mirkovci), and Radio Banska Kosa (Beli Manastir) – to develop business plans, and subsequently assisted them with the implementation of their plans. Assistance and support to the stations was completed in the fall 2002, and only one station has subsequently gone out of business due to internal disputes and unresolved ownership issues. All other Dunav radio stations are still in operation, which is a remarkable success considering the very poor local economy. Radio Dunav and Radio Borovo are active members of the BBC/AIR radio network.

Svirac also provided on-site assistance for the creation of a business and marketing plan for the weekly paper Dubrovacki List in the summer of 2000. Over the course of a two-week period, she not only walked the paper's staff through the business plan development process, Svirac also taught the media outlet's staff the importance and relevance of business planning.

In the spring of 2001, IREX began a long-term strategic business planning and training process with the CJA. Svirac and other IREX staff worked closely with CJA's Program Director Albert Kapovic to ensure the involvement of every level of the association in the business plan development process -- this included the CJA staff, board, and membership. Svirac conducted a workshop with the CJA staff during which she discussed the association's strengths, weaknesses, opportunities and possible threats (SWOT). The response to the training was good and the process uncovered many areas in which the staff had views and ideas that differed from CJA's mission.

In late 2002, having received feedback and comments from the CJA board and members, Kapovic and Svirac completed CJA's long-awaited business plan. CJA staff subsequently presented and discussed the business plan at the annual conference in November 2002. The business plan has helped CJA management run the association more efficiently and with more transparency. CJA has shown its ability to support journalists by offering free usage of its server to the members of the Association of Publishers of Local Papers (APLP), organizing workshops with ABA/CEELI, as well as efficiently working to affect positive change on media legislation.

IREX also facilitated several business training workshops over the course of the ProMedia II program. In November 2001, IREX sponsored a radio marketing and sales seminar for 30 managers and marketing people from various member stations of the Association of Independent Radio (AIR). IREX business consultant Graeme Moreland, an experienced sales and marketing professional, conducted the three-day event in Opatija. The workshop was designed to create a skilled sales force at each station and emphasized the psychology and process of selling, the importance of a personal marketing plan, and techniques for influencing customers. IREX also invited a local advertising agency representative to discuss the agency's needs and expectations.

In March 2002, Moreland returned to Croatia and conducted another two-day marketing workshop in Zagreb for the CCN member TV stations. Moreland prepared the agenda for the workshop based on the requests of individual stations and their sales and marketing situations at the time. As the workshop progressed, other issues of common interest emerged and

included, but were not limited to, the quality of network programming, the lack of information on forthcoming programs, poor quality of the reverse fiber-optic link back to Zagreb, and absence of on- and off-air promotions and profiles for the network and its programs. These issues were later discussed with CCN management.

Market Research

IREX launched its market research activities in the beginning of 2001. In February, PULS (a Croatian Research firm) conducted media usage research for InterMedia, which is a Washington-based non-profit organization that conducts survey work for a variety of clients. IREX worked with InterMedia to obtain information from its survey to provide IREX's partner media outlets with current research. The fieldwork for the February research had already been completed when IREX contacted InterMedia; as a result, IREX was not able to add its own questions to the survey questionnaire. However, approximately half of the survey instrument offered useful information.

Not surprisingly, the research report indicated that television was the dominant medium for receiving news and information in Croatia. This was positive news as the CCN network was gradually making a dent in HRT viewership, which tended to be older and less affluent than CCN's. Radio was ranked number two in effectiveness and newspapers were a distant third. The Internet had very little penetration in Croatia at the time, barely making a statistically significant appearance.

In early October 2001, IREX consultants Rich and Suzi McClear traveled to Zagreb to initiate an IREX-designed audience research project that would produce high-quality media market research for broadcast media and train broadcasters how to use the research. The McClears returned to Zagreb in March 2002 to prepare a request for proposals and to develop a budget, identify resources, and create a timeline for the audience research project. Preparatory work also involved contacting research companies, advertising agencies (e.g., McCann-Erickson and BBDO) and broadcasters, and organizing a pre-bid conference with market research companies.

In April 2002 IREX awarded two market research contracts to Mediana Fide and the Center for Market Research Ltd. (GfK). Five companies submitted proposals in response to the IREX request for proposals (RFP) to conduct an audience research project for local television and radio stations in Croatia. IREX staff and consultants reviewed the bids and selected two companies to carry out the research. Mediana Fides conducted the television market research using the CATI (Audience Measurement – Computer Assisted Telephone Interviewing) research method, which provided viewing data for TV programs in Croatia on national and target-specific levels for 11 TV stations. The CATI methodology allowed for quick and accurate interviewing because the computer switches screens based on the answer to a specific question. For example, if participants responded that they were watching TV in the evening, the follow-up questions would only refer to those hours. The Center for Market Research Ltd. (GfK) conducted the radio market research, also using the CATI method, to determine listening data for 22 radio stations. The two companies conducted the research during the months of May and June 2002.

Preliminary results of the research were available before June 30, 2002, and revealed that the member stations of the television network CCN enjoyed the highest ratings during their nightly broadcast of the news program *Vijesti Dana*. Other preliminary findings showed that television

was the country's most trusted medium for news (37 percent), followed by radio (7.1 percent) and daily newspapers (6.2 percent). Despite television's popularity, according to the study's results, 90,000 people listened to the BBC World Service's Croatian news as broadcast on the member stations of IREX client AIR radio network.

The research included additional questions regarding pension reform, which was run by another USAID implementer, the Carana Corporation. The preliminary results showed that over 50 percent of people surveyed were satisfied with the information they received on pension reform from the media campaign. Additional analysis allowed the Carana Corporation and USAID to learn which medium was the most effective in the campaign. Broadcasters benefited from the results, which were cross-tabulated with station research.

The television and radio market research was completed in May and June of 2002, while the training of the media clients on the use of the results was completed by September 2002. IREX released the final results of its market research project in July and began educating broadcasters on how to use the data in order to increase advertising sales, improve programming, and boost viewership/listenership. By controlling the size of the area surveyed, IREX not only kept down costs but increased the accuracy of the research. All media outlets have been very satisfied with the outcome of the survey, which was conducted exclusively within their coverage areas, and now understand the importance of market research.

IREX and the market research company Mediana, which conducted the television research, organized training in Zagreb for the staff of the CCN television network and its member stations VTV from Varaždin, Televizija Slavonije i Baranje from Osijek, and Televizija Cakovec from Cakovec. RiTV from Rijeka and TV Nova from Pula received training in Rijeka. ATV in Split received the training on-site in Split. The research training included a presentation on how to use Internet-based software to generate specific reports based on the results, such as the number of female viewers of a particular program.

GfK, which conducted the radio market research, held a workshop in Zagreb for Radio Cibona (Zagreb), Radio One (Oroslavje), Radio Borovo (Borovo), and Radio Dunav (Vukovar). Jon Newstrom, IREX Resident Advisor, and Damir Prpic, President of the Association of Independent Radio, conducted radio training sessions in Split for representatives of Radio Nautica (Vis), Radio M (Split), Radio KL (Split), Gradski Radio Ritam (Šibenik), and Radio Brac (Brac), and in Crikvenica for representatives of Radio Gorski Kotar (Delnice), Kvarnerski Radio (Crikvenica), Radio Maestral (Pula), and Radio Jadranka (Mali Lošinj). Mediana Fides, the company that conducted the television market research, carried out the training for TV stations Ri TV (Rijeka) and TV Nova (Pula) in Rijeka, and ATV (Split) in Split.

IREX had a very significant role in helping the media market research process in its initial phases. After the initial IREX audience survey, the media market started becoming more sophisticated and now all publishers and broadcasters are more or less required to conduct market surveys to remain competitive. By introducing higher criteria on surveys, advertising agencies have substantially improved the professional standards of market research in Croatia and the Croatian advertising market is now one of the fastest-growing business activities, with an annual growth rate of almost 15%. Most of the major international advertising agencies and research companies now have their branch offices or regional partners located in Croatia.

ACTIVITY RESULT II: Quality Journalism: Journalists provide citizens with objective, fact-based, useful information

In the broadcast sector, IREX ProMedia has had a significant effect on the quality of Croatian journalism. The support provided to the CCN news program *Vijesti Dana* has resulted in an award-winning news product. The increased competition from CCN has subsequently forced the state-owned HTV to improve its news coverage as well. Partnership with the BBC has allowed the AIR network to produce a substantially superior news product for broadcast on local radio stations.

Improving the quality of journalism in the print sector proved to be a more difficult situation. Over 60 percent of Croatian newspapers' income comes from the cover price, and yet few Croatians can afford to regularly purchase newspapers at current prices. In order to increase sales, papers continue to depend on screaming headlines and scandals, which results in stories that are half-investigated and poorly sourced. IREX worked closely with the CJA to provide training for journalists and offered technical assistance to selected newspapers in an effort to increase quality print journalism. In addition, IREX chose to focus on several topical areas to expand journalists' knowledge and skills in investigative reporting and subjects other than politics.

Journalism Training Activities

IREX successfully organized a large number of courses and workshops for journalists in cooperation with the Croatian Journalism Association (CJA) over the course of the ProMedia II program. The CJA also demonstrated its capacity to develop new training programs without IREX technical or financial assistance by conducting training seminars for beginning and mid-career journalists at the request of Europa Press Holding, the biggest single publisher in Croatia, and others. With IREX facilitation, CJA also succeeded in securing grant from the Canadian Embassy and other organizations for the continuation of the Culture of Dialogue series.

IREX-facilitated training began with a CJA Weekend Journalism Workshop in the spring of 2000. IREX Resident Advisor Jon Newstrom conducted a session on intellectual property rights, and the discussion expanded to include investigative journalism, as well. There were sixteen participants from Zagreb, Osijek, Dubrovnik, Šibenik, and Zadar, representing media outlets and organizations such as Radio 101, Slavenska Televizija, HINA, Jutarnji List, Radio Dubrovnik, HTV, Radio Šibenik, and the Ministry for European Integration. Additional weekend workshops were also conducted on other topics of interest to journalists.

IREX, CJA, and the International Republican Institute (IRI) cooperated on the development of a "Young Journalist's Club" which brought together young Croatian journalists. IRI provided funding for a full-time staff person to coordinate the club's activities, while IREX provided technical support and recruited participants. The goal of the club was to enable young journalists to meet regularly to discuss current events in Croatia and to work together on improving their journalism skills. IREX Resident Advisor Jon Newstrom and Local Advisor Davor Glavaš frequently served as guest speakers and also arranged for established Croatian media professionals to provide presentations to the group.

Cooperation with IRI continued throughout the ProMedia II program and IREX assisted with the organization of a regional conference on Journalism Ethics in Transitional Societies. Journalists

from Croatia, Serbia, Montenegro, Macedonia, and the Czech Republic were invited to attend the conference and share their experiences. IREX staff members Silva Skocajic and Jon Newstrom participated in the conference as presenters and led sessions on team building and investigative reporting, respectively.

IREX also worked with the American Bar Association – Central and Eastern Europe Law Initiative (ABA-CEELI), another USAID implementer, on the improvement of journalists' knowledge of the Croatian judicial system. Croatian judges and lawyers continually complained that reporters were not accurately reporting criminal cases, yet they had not provided journalists with reference materials or other resources on how the criminal process operates in Croatia. During the summer of 2002, the Croatian Judges' Association and the Croatian Journalists Association (CJA) assisted IREX and ABA/CEELI in preparing a 93-page, easy-to-read guide explaining the Croatian legal system. The handbook, *The Journalist's Guide to Criminal Procedure* (Vodic kroz Kazneni Postupak), was written by Zagreb County Court Judge Marin Mrcela and published in June 2002. Prior to its publication, journalists had difficulty finding accurate information on the justice system, since law libraries are often closed to the public. Following the launch of the handbook, IREX agreed to organize training workshops utilizing the information in the booklet to improve journalists' understanding of the criminal justice system.

Together with the CJA, IREX and the ABA/CEELI conducted a series of seminars on the legal system for journalists throughout Croatia. IREX provided the media trainers and ABA/CEELI arranged for judges' presentations for the workshops that were held in September 2002 in Zagreb (two sessions) and in Varaždin (one session). Additional sessions took place in Pula (October 2002), Osijek (October 2002), Split (November 2002), Rijeka/Opatija (December 2002), Dubrovnik (December 2002), Slavonski Brod (March 2003), Zadar (April 2003), and Sisak (June 2003). Local court reporters and/or journalists covering issues pertaining to the judiciary system attended the training sessions. Among the lecturers and guest speakers were Marin Mrcela, author of the booklet; a judge on the County Court in Zagreb; the president of the CJA; and the president of CJA's branch of court reporters. This was the first of several series of inter-professional workshops in Croatia sponsored by IREX.

As a result of this successful seminar series, IREX was asked in late 2003 by the OSCE Mission in Zagreb to organize a workshop on reporting on criminal proceedings in Bjelovar. Impressed by the large turnout and media exposure, the OSCE Mission offered to fund additional workshops for local media outlets. IREX launched the new workshop series on criminal procedures in February 2004, with the first workshop organized in the city of Karlovac. The workshop was set up as a joint project with ABA/CEELI-Croatia, the OSCE Mission in Zagreb and the OSCE Field Office in Karlovac.

To date, IREX has distributed more than 1,200 copies of the journalists' handbook for reporting on criminal procedures, thus reaching almost half of all active journalists in Croatia. Judge Marin Mrcela completed a second, updated version of this guide, which was released in May 2004. Similar to the guide on criminal proceedings, IREX also supported the publication of four new journalist handbooks in 2003-2004: *Proceedings in Civil Lawsuits*; *Proceedings in Juvenile Lawsuits*; *Media and National Security*, and *Investigative Reporting*.

Inoslav Besker, a well-respected Croatian journalist and regular correspondent for the Zagreb dailies *Dnevnik* and *Jutarnji List*, authored the handbook on investigative journalism. Co-author of the handbook was Orlanda Obad, a young journalist who participated in the US Department of State's Ron Brown Fellowship Program in the United States and completed a two-year

master's degree program in journalism. In addition to serving as a guide for local journalists, this IREX publication is also used by instructors in the journalism program of the University of Zagreb. Although only 1,500 copies were printed as part of the first edition, the handbooks are expected to reach a much higher overall circulation in the forthcoming years.

In March 2004 IREX started an additional workshop series on Reporting on Civil Proceedings and Minors in Criminal Proceedings. The workshops were organized throughout the month of March in Pula, Zagreb, Sisak, Bjelovar, Varaždin and Zadar. More than 90 journalist and judges attended the workshops, which underlines the importance and far-reaching impact of the project. Based on the success of the training, IREX conducted three more workshops in April in Dubrovnik, Split and Slavonski Brod, with a total of 51 journalists and judges in attendance at these events. In May two more workshops were held in the towns of Karlovac and Zagreb, where a total of 27 journalists and local judges participated in the training. And in June, IREX organized workshops in Osijek (Eastern Slavonia), Šibenik, Gospić and Vinkovci, in which more than 30 local journalists and judges participated. All workshops were co-financed by the OSCE Mission to Croatia in order to improve reporting on legal and human rights issues.

Inter-Professional Dialog (Culture of Dialog) Series

Beginning in 2000, IREX launched its first inter-professional dialog series along with AED and the CJA and brought together journalists and NGO representatives. The overall goal of the various inter-professional dialog series was to help journalists and professionals in other fields work together and understand each other for their mutual benefit.

The NGO seminar series was designed to introduce journalists to the non-governmental sector. NGOs often suffer from poor publicity and do not have the training to work with the media. In addition, NGOs are often excellent sources of information for journalists, who often do not know about the NGO community. Twenty-eight people attended the first seminar in Zagreb and additional seminars were later held in Osijek, Rijeka, and Split. All workshops were relatively well attended, however the NGO community in Osijek was underrepresented and journalists were poorly represented in Split. The format of the seminars was designed to mix the two groups (NGOs and journalists) in the morning to discuss each other's roles and respective impressions of each other. In the afternoon the focus was on training the NGOs on how to work better with the media. Altogether, the seminar series on media and NGOs in Zagreb, Osijek, Rijeka and Split provided training for 107 participants - 29 journalists and 78 NGO representatives (46 males and 61 females).

The first "Police and Media" seminar was also held in June 2000 at the CJA, and was similar in format to the NGO workshops. Approximately 60 people attended, with about half actively participating in the discussions. IREX arranged for a former New York City police officer, who was then living in Zagreb, to join the workshop and public affairs officers from every district headquarters of the Ministry of the Interior (MUP) were in attendance, as well. The seminar was equally attended by MUP representatives and journalists. As a result of the seminar, the Ministry and CJA established a committee to write a manual for press/police relations. The MUP also began to include media relations as part of the regular training at the Police Academy. In September 2001, the CJA hosted a similar meeting on criminal justice for journalists and the MUP. This "Culture of Dialog" series was very successful and, as a result, the Croatian Ministry of Labor and Social Affairs expressed its interest in funding a six-week series on related social issues. The CJA signed a contract with the Ministry, which paid them to

organize and facilitate six additional roundtable discussions, which were held between October 17 and November 14, 2001.

“Minors and the Media” was the topic of the third Inter-Professional Dialog series, which began in June 2001 in the big hall of the Novinarski Dom in Zagreb. Participants in this program included the police officers, representatives of the courts, sociologists, doctors, psychologists, and media representatives. Approximately 50 people attended the seminar and the event was well covered in the press and on television. The roundtable discussion was designed to bring together employees of various agencies that deal with children’s and youth issues with media representatives to discuss children’s programming, the treatment of children, media coverage of minors, the protection of minors’ identities in criminal cases, and coverage of child abuse or sexual assault cases.

In early 2002, the Culture of Dialog series addressed court decisions against the Croatian weekly newspaper *Feral Tribune*. IREX and CJA held a roundtable discussion in March to discuss libel suits against newspapers and journalists. The meeting was prompted by two court rulings against the *Feral Tribune*, which was found guilty of inflicting “sustained mental anguish” on two Croatian citizens and fined a total of 200,000 Kuna (approximately \$25,000 at the time). CJA brought together a panel of lawyers, psychologists, and journalists to explore the issue of libel suits and their implications, to examine the Croatian penal code, and to define mental anguish. In the past, the Croatian courts have used the existing penal code to punish independent media for opposing the government. By bringing this issue to the public’s attention, CJA and IREX hoped to encourage changes in the libel laws.

Rather than addressing new topics in 2002, the Culture of Dialog series held several follow-up sessions on earlier subjects. Discussions on the following topics were organized by CJA throughout the spring and summer: media and corruption, the Croatian media landscape, media’s role and responsibilities in a democratic society, the role of media in promoting democracy in Southeastern Europe (seminar included participants from Romania, Bulgaria, Montenegro, Macedonia, and Croatia), HTV and its transformation into a public service broadcaster, and the new Law on Media.

In cooperation with the International Catholic Migration Commission (ICMC), IREX organized a workshop on anti-trafficking in mid-April 2003. The workshop was divided into two sessions; the first session aimed to raise awareness of the problem of trafficking of persons within the Croatian NGO community, and the second session sought to familiarize journalists covering crime, organized crime, and social problems with trafficking issues. Journalists from the leading national media outlets attended the workshop.

IREX also organized a successful series of workshops on the prevention of trafficking of human beings. The first was held in July 2003 in Slavonski Brod, one of the main transit centers for white slavery to Bosnia and Herzegovina. Co-organizers of the workshop were CJA, ICMC, and PETRA, which is a network of women’s NGO’s that focus on anti-trafficking activities. Presenters at the seminar were the head of the anti-trafficking department in the Ministry of Police and Saša Lekovic, one of the leading Croatian investigative reporters on organized crime and anti-trafficking issues. Attendees included representatives of the local authorities (e.g., local government, police department, and social and welfare institutions), the general public, and journalists from all local print and broadcast media.

In the fall of 2003 IREX organized additional workshops on human trafficking in Slavonski Brod

on the Bosnian border, Osijek in Eastern Slavonia, and Cakovec, which borders Hungary. All three cities/regions are focal transit/entry points for trafficking in and through Croatia. Saša Lekovic once again led the workshops for the local journalists, police officers, judges and other professionals involved in anti-trafficking efforts. Co-moderators in Cakovec were Prof. Zvonimir Dujmovic, Dean of the Police Academy in Zagreb, and Duško Miljus, journalist and president of CJA's corps of crime and court reporters. Approximately 70 people total attended the workshops.

The seminar series on anti-trafficking and investigative reporting resumed in April 2004 and IREX organized three new workshops in the cities of Rijeka, Karlovac, and Sisak. These workshops were attended by 44 local print and broadcast journalists from *Novi List*, *Jutarnji List*, *Vecernji List*, *Karlovacki Tjednik*, *Karlovacki List*, and HRT, as well as representatives of the local NGO communities. In May, IREX offered four additional training workshops for a total of 47 local journalists (*Dubrovacki List*, *Dubrovacki Vjesnik*, *Zadarski List*, *Narodni List*, *Slobodna Dalmacija*, *Jutarnji List*, *Vecernji List*, Radio Donat FM, Radio Ritam, Radio KL and HRT) and NGO representatives in Split, Šibenik, Zadar, and Dubrovnik.

The anti-trafficking training events in 2004 were supplemented by seminars on investigative reporting and computer assisted reporting (CAR), which were organized in the newsrooms of the dailies *Glas Istre* (Pula), *Karlovacki Tjednik* (Karlovac) and *Jutarnji List* (Sisak) in April. Additional trainings were held in Split, Šibenik and Zadar in May. The workshops were attended altogether by more than 70 local journalists from *Zadarski List*, *Narodni List*, *Slobodna Dalmacija*, *Jutarnji List*, *Vecernji List*, Radio Donat FM, Radio Ritam, Radio KL and HRT.

Video Journalism Courses

Based on his 30 plus years of experience as a journalist and editor, the deputy editor-in-chief at CCN, Gradimir Agbaba, designed a training program for video journalism courses to be organized with IREX support. At the beginning of the ProMedia II program, CCN's newsroom staff was continuously training camera operators and journalists from CCN member stations. Journalists from CCN member stations also visited the Zagreb newsroom to observe the structure and operations of the daily news program. This on-the-job training brought the correspondents from the member stations into the network family and improved the overall quality of journalism at the network stations.

In 2001, IREX provided a subgrant to CCN to provide video journalism training for journalists outside of the Zagreb area. The project started in June 2001 and continued through the calendar year. As a result, CCN obtained two new anchors (one female and one male) for the *Vijesti* newscast, as well as three local station journalists and producers for the *Vijesti* production and news crew. Agbaba and Dražen Klaric, editor-in-chief of *Vijesti Dana*, also visited TV stations in Pula, Osijek, and Split to train the local reporters and cameramen in order to ensure the contributors to the *Vijesti Dana* newscast had the same technical and reporting standards. As a result of the training visits, there were more reports and stand-ups from Pula, Osijek and Split stations included on *Vijesti Dana* and allowed the network to broaden its regional coverage. Training for the new news anchors consisted of practicing on a mock *Vijesti* newscast and improving their linguistic and pronunciation skills. Since the trend on *Vijesti Dana* was to have more stand-up reports, CCN also provided selected Zagreb newsroom reporters with on-camera training as well as linguistics and pronunciation.

By the spring of 2002, CCN had thoroughly trained six new news anchors, editors, and program hosts: one news anchor for *Vijesti Dana*, two anchors/hosts for the sports block; two anchors/editors for a political talk show; and one host for a music call-in program. CCN also provided additional training for two radio program hosts from Radio 101 and Zagrebacki Radio, who also worked as hosts of two talk shows on CCN called “Labirint” and “Politicka kuhinja.” In the fall of 2001, CCN also began actively collaborating with the Departments of Journalism and Political Science at the University of Zagreb to train young broadcast journalists.

Radio Station Assistance in the Danube Region

At the beginning of the ProMedia II program, IREX collaborated on a project funded by the Organization for Security and Cooperation in Europe (OSCE) for improved election coverage on five radio stations in the Dunav (Danube) River region of Croatia. Subgrants to these stations – Radio Dunav (Vukovar), Radio Borovo (Borovo Selo), Croatian Radio Vukovar, Radio Baranja (Mirkovci), and Radio Banska Kosa (Beli Manastir) – were targeted towards two major areas: public service announcements (PSAs) and election news coverage. The PSAs both provided election-related information (e.g., where to vote, rules for voting, and voter’s rights) and promoted election-related activities organized by NGOs such as GONG and GLAS2000. Both OSCE and IREX monitored the stations to insure compliance with international journalism standards and the CJA’s Code of Ethics on election coverage, which the stations were required to formally adopt. All five stations also proposed to IREX the type and level of news coverage they would perform, which allowed IREX to monitor and comment on the appropriateness of their coverage, but still remain removed from the day-to-day management of the news.

While the initial project sponsored by the OSCE was completed on December 31, 1999, the stations volunteered to continue their collaboration for the presidential and parliamentary elections scheduled for January 2000. The results of the election may not be attributable to the project, but it is quite clear that the stations remained unbiased as a result of IREX and the OSCE monitoring. Even Hrvatski Radio Vukovar (HRV), which was very closely controlled by the mayor of Vukovar, who was affiliated with the HDZ, refrained from weighting its news coverage toward the HDZ because it needed the proffered subgrant funds. In addition to broadcasts with fair and accurate information about the elections, another positive outcome of the Radio Dunav project was the cooperation between the Serb and Croat stations. At all staff levels, from owners/managers to journalists, the stations worked together. The five stations produced many of the PSAs themselves and shared them with the other stations. News reporters from Radio Banska Kosa (Serb) and Radio Baranja (Croat) divided up polling places and shared information for their respective station’s election reports. Long after the January 2000 elections the five stations continued to cooperate with each other.

Radio Dunav, Radio Borovo, and Radio Banska Kosa all signed concession contracts with the government authorities in April 2000. Serb radio stations in the Dunav region had been licensed by the sub-legal Serbian local authority in 1992 and 1993; after the reintegration of Eastern Slavonia, these stations were required to register according to Croatian legislation. These three Serb stations were considered to be a crucial element in facilitating the return of Serbs to Eastern Slavonia.

IREX also worked in conjunction with the OSCE Coordination Center in Vukovar and the Dunav stations on an NGO media relations project. In an effort to link Eastern Slavonia NGOs with Serb and Croat radio stations, IREX sponsored a workshop at which selected NGOs met with their media counterparts to develop and produce short radio spots (30 and 60 seconds). As

NGOs do not have money to spend on promoting their activities, the public is often unaware of their valuable services. IREX paid the stations to broadcast public service announcements on behalf of the NGOs.

This was an extremely effective way of reaching the public: short, often-repeated PSAs catch the audience's attention and deliver the desired message. Using a system of rotation between three Serb and two Croat stations, the PSAs reached the targeted audiences. As in the election project this cooperation between the media also helped post-war reconciliation between these two ethnic groups in a vital area of Croatia.

By late 2000, the situation in Eastern Slavonia had not improved and, in some ways, had in fact deteriorated. The three Serb stations that IREX had been assisting for over three years (under both ProMedia I and II) were on the verge of failure due to the poor economic conditions in the area and decreasing donor funds. Although all of the Dunav stations were aggressively pursuing advertising, the region had 90 to 95 percent unemployment, residents had little purchasing power, and, therefore; businesses did not have enough revenue to invest in advertising and marketing efforts. The Croat-owned stations did have a bit more success with the country's major advertising agencies, which are also Croat-owned.

Throughout 2001, IREX staff and consultant Gordana Svirac continued to provide technical assistance and business consulting to the radio stations in the war-affected Danube region. IREX staff also continued to seek additional funding from the OSCE and other donor organizations to share the cost of projects for these radio stations.

From May 1 to July 1, 2001, IREX again assisted the stations with election news coverage, voter education programs, local roundtable discussions, and a media questionnaire on election results. Although the OSCE did not contribute direct funding to IREX-supported Dunav stations, they did monitor all stations to ensure they broadcast the required programs and kept the news coverage balanced. The OSCE monitoring effort was an important element of this activity because stations in the region had been known to succumb to pressure from local mayors or other politicians. With IREX and OSCE monitoring, such behavior was impossible.

IREX worked toward the completion of all activities with the Dunav stations in 2002 in order to phase out this component of the project. Over the course of the ProMedia II program, IREX successfully incorporated all of the ethnically Serb radio stations into the Croatian telecommunications system and offered technical assistance and business consulting to ensure the stations continued to survive in difficult economic conditions. As members of the AIR network, Radio Dunav and Radio Borovo participated in and benefited from IREX-sponsored market research. The research revealed that the stations were doing well and appealed to a wide age range, despite a play list of predominantly Serbian folk music, which usually attracts an older audience.

When IREX began working with the five Dunav radio stations in 1998 under ProMedia I, predictions were that only one of the four stations would survive. Today all five are providing news and entertainment to the Serb and Croat community in that region, thus adding an important social dimension to community life as Croatia and the international community attempt to encourage more Serbs to return to the area.

Activity Result III: Legal Environment: Legal and regulatory framework supports free speech

Although the heavy government pressure on media that was experienced during the Tudjman era has diminished, the subsequent Croatian governments have been slow to initiate and/or implement significant media reform. In some cases, the laws have appeared to be strong and effective on paper but the corresponding administrative procedures have not been adopted. In other cases, the laws have been applied in an arbitrary manner. As a result, IREX closely monitored legislation and actively assisted with the development and implementation of new laws through the media associations and the Media Advisory Committee.

Lawsuit Database

June 2001 marked the end of direct technical assistance for the legal database project, which started at the beginning of the ProMedia II program with a partnership between IREX and ABA/CEELI. ABA/CEELI provided the basic design framework for the project and covered the cost of some project staff time, while IREX worked with the CJA to implement the work and monitor the project.

In the years since Croatian independence in 1992, well over a thousand lawsuits were filed against journalists or publishers. Until REX began working on the lawsuit database, no one really knew how many cases there were or the nature of these cases. Part of the problem was the variety of court venues in which cases could be filed and the fact that the case management system was not computerized. Dr. Alan Uzelac, a law professor, and a team of his law students went to each court to track down files and entered information on the parties in the case, the judgment sought, and the current status of the case into one database. The result is an on-line database (see www.hnd.hr) at the CJA website, which has proved to be useful to journalists and researchers. Many cases are still pending even after 10 years, and some of the biggest names in Croatian politics have filed cases seeking millions of Kunas in judgments.

It is estimated that there have been over 1,000 total legal actions taken against journalists or publishers, although recently there have been fewer new lawsuits filed. The data is somewhat sensitive, as exemplified by criminal libel. If a news story allegedly libels someone who then brings suit, CJA could be brought into the suit as well for publishing information from the database about the original story. Nonetheless, summaries of the cases can be made and CJA continues to post analyses of cases on their web site and add new information to the database. The format allows users to pick one of a selected number of topics

Although the Government of Croatia has changed since the beginning of the ProMedia II program, many of the cases filed in the last ten years are still grinding through the court system. In order to integrate into the European system, Croatia will need to solve this problem, as a large number of lawsuits against the media results in both direct and indirect restrictions of journalists' rights. The lawsuit database developed by IREX will continue to assist journalists and media owners to assert the freedom of the press.

Media Law Review

Over the course of the ProMedia II program, IREX staff and IREX strategic partner Covington & Burling have reviewed and commented on several draft laws, facilitated public discussions of proposed laws, and drafted alternative legislation to ensure that new media laws are fair and

take into consideration the rights of independent media. IREX's media law reform efforts have focused on the following five laws:

Media Law: As part of IREX's continuing efforts to build a fair legal framework compatible with European standards, IREX and the German foundation Konrad Adenauer Stiftung (KAS) held a conference on the drafting of a new Croatian media law in the summer of 2002. Twenty-eight people attended the event, which was opened by Member of Parliament Luka Roic, President of the Parliamentary Committee on Information. The Media Law was an attempt to bring together regulations that affect all media in general, while those specific to broadcasters would remain under the Telecommunications Law. Held at the International Center for the Education of Journalists in Opatija, the conference provided an opportunity for representatives of print, radio, and television media, as well as members of the Croatian parliament and the Ministry of Culture, to discuss transparency of ownership and the monopoly of media outlets. IREX also arranged a special presentation by media law expert Amy Levine from the Washington office of the law firm Covington and Burling to discuss and compare different ownership laws in Europe and the United States. Covington and Burling provided Levine's services pro-bono.

Levine gave a comprehensive review of the ownership structure in different parts of the world and discussed how countries have addressed issues of transparency of ownership and cross-ownership. Igor Vukic, editor and journalist from *Jutarnji List*, addressed the issue of foreign interests in the Croatian media and how such interests might adversely affect employees. Jadran Antolic, Assistant to the Minister of Culture, who was responsible for drafting the new media law, lead a discussion on the process of its drafting.

Telecommunications Law: IREX and the Media Advisory Committee (MAC) were involved in a consulting capacity from the very beginning of the drafting process for a new telecommunications law. The Ministry of Culture, responsible for completing the first draft, proved to be a good partner in the process. The Ministry was sufficiently transparent and cooperative, although its staff did not always possess the required level of expertise. The MAC decided to focus more on the Telecommunications Law, rather than on the Law on Public Television, in order to avoid being exploited for political purposes. The MAC also came to the conclusion that the Telecommunications Law would be more important in defining the legislative framework for commercial broadcasters than would the Law on Public Television. During the process of defining its positions on the Telecommunications Law, the MAC made extensive use of its pool of regional experts, especially Professor Sandra Bašić-Hrvatini from Slovenia.

Law on Electronic Media: The months of January and February 2003 were crucial to the development of new media legislation in Croatia. Both IREX COP Glavaš and the MAC had several promising meetings at the Ministry of Culture (MoC) to discuss a draft version of the Law on Electronic Media. As a result of these meetings, the MoC adopted most of MAC's suggested amendments to the draft Law on Electronic Media. The final law was passed in July 2003 and can be considered a significant achievement of the ProMedia program as IREX and the MAC were instrumental in convincing the Government of Croatia to write a separate law on electronic media, providing substantial assistance during the drafting process, and lobbying for adoption of the law in its current form.

Main provisions of the new Law on Electronic Media are:

- Three percent of the mandatory subscription fee is allocated for private broadcast productions that are of public interest. The aim is to support quality productions and to

encourage the owners of broadcast media outlets to employ additional journalists and other media professionals. Representatives of more than 130 radio and 11 commercial TV stations agreed to share the available funds on a 50-50 basis;

- The new legislation equalizes the position of domestic and foreign ownership over broadcast media. In the past, international investors were impeded from serious investment in the Croatian electronic media sector by a 33-percent ownership limit.
- Both government institutions and state-owned companies will have to spend a minimum of 15 percent of their respective marketing budgets at local electronic media outlets. Generally all budgeted funds for advertising and other promotional campaigns for the government and publicly owned companies are spent with HRT. This constitutes a substantial and hidden subsidy to the state-controlled public broadcaster.

Authorized institutions will monitor HRT for any breach of regulations (e.g., minutes of allowed advertising per hour, same programming content in the entire coverage area, etc.). Until recently, HRT violated these and many other provisions on an almost daily basis by exceeding the allowed amount of advertising time, broadcasting different programming in different counties, and charging lower advertising rates than local commercial broadcasters, among other violations. HRT has neither been monitored nor sanctioned for breaching the rules.

IREX kicked off 2004 by working closely with the MAC, Council of Europe (CoE), OSCE experts and local NGO's to provide the Government of Croatia with suggested amendments to the Law on Electronic Media that would guarantee independence of the regulatory body, the Council for Electronic Media. These amendments would eliminate political interference in the procedures for appointing Council members and strengthen the role of civil society in making appointments and monitoring Council activities. An agreement was reached to amend the Law on Electronic Media instead of invalidating it (based on the alleged procedural mistakes in its adoption). Invalidating of the law (by filing a request to the Constitutional Court) would have created a legal vacuum with unwanted repercussions to the commercial broadcasters.

Law on Intellectual Property: Upon a request by MAC in early 2003, IREX secured the involvement of the international law firm of Covington & Burling (C&B) for the preparation of an overview of music licensing legislation from five Western countries, including countries in transition. Music licensing is one of the principal problems for Croatian broadcasters. The Ministry of Culture (MoC) began preliminary work on a draft Law on Intellectual Property, which also covers music licensing, and asked the MAC to assist in writing this law. Covington & Burling's *pro bono* contribution was of the utmost importance in this process. In May 2003, MAC and representatives of NUT held a general discussion on copyright issues, based on the expertise provided by Covington & Burling. The MAC, NUT and the Association of Local Media prepared a joint proposal on music licensing/copyrights for the Ministry of Culture to assist its work on the draft Law on Intellectual Property in the first quarter of 2004.

Law on Public Television: IREX, the MAC, local NGOs, the Council of Europe, and OSCE experts also provided suggested amendments to the Law on HRT to the Government of Croatia, primarily regarding the policies and procedures for appointing HRT's Council members and securing the Council's independence. The amendments submitted supported direct appointment of representatives of the civil society sector to the Council, bypassing both the Parliament and the Government in order to avoid their interference in these appointments. However, in an effort

to enable the selection of a new HRT general manager, the current Council was allowed to complete its mandate under the existing regulations.

IREX, the National Association of Commercial Television Stations, and the National Association of Local Radio Stations also suggested a bylaw that would define the criteria for the allocation of financial grants from the fund set aside for diversification of the media. The Law on HRT and the Law on Electronic Media both stipulate that three percent of the tax on televisions and radios – approximately €3 million/year) – should go to a fund that would support and stimulate public interest productions on commercial radio and TV stations. The Council for Electronic Media is responsible for managing the fund, but the National Working Group for Media and local NGOs want the government to first define the criteria for disbursing money from the fund before the Council begins its fund management tasks.

Lobbying for Media Law Reform

Based on the 2002 assessment of the ProMedia II Croatia program conducted by Dan DeLuce for Management Systems International, Inc. (MSI), IREX began focusing on media law reform during the final two years of the program. IREX continued to facilitate activities to improve the legal framework for independent media outlets by forming the Media Advisory Committee (MAC) and sponsoring public forums for discussions on proposed media laws.

The MAC was created in the spring of 2002 as the Croatian government was considering changes to key media legislation, including a new comprehensive media law (for more information, see the CJA's web site <http://www.hnd.hr/novost.php?id=51>), which included regulations on cross-ownership of print and broadcast media and anti-trust provisions restricting ownership of portions of the media market. IREX joined forces with the Open Society Institute (OSI) in order to prepare and present an alternative draft of the law that would be more acceptable to independent media. OSI hired a law professor to draft a new version of the law and IREX contacted various media experts in order to form a media law working group, which would advocate and lobby for legislation supporting independent media.

The working group, called the Media Advisory Committee or MAC, comprises representatives from various media associations, journalists, and owners of print and broadcast media outlets, as well as professors of journalism and law. At its inception, the MAC included Davor Glavaš, IREX Media Advisor; Vesna Alaburic, lawyer; Boris Kregar, law professor and representative of both the Croatian Helsinki Committee and OSI in Croatia; Dragutin Lucic, president of the Croatian Journalists Association; Stjepan Malovic, journalism professor at the Faculty of Political Sciences and the head of the International Center for the Education of Journalists (ICEJ) in Opatija; Željko Matanic, deputy president of the Association of Local Media; Denis Mikolic, director of TV Nova in Pula and president of the Association of Commercial TV Stations (NUT); Saša Milošević, OSI Media Analyst; and Marina Mucalo, journalism professor at the Faculty of Political Sciences and deputy chairwoman of the Telecommunications Council.

MAC applied for funding from the Stability Pact Media Task Force, through the CJA as an umbrella organization, and received \$19,500 in assistance from the United States through the USAID/IREX Regional Cooperative Agreement. The proposed activities fit well within IREX ProMedia plans for media law reform, and IREX ProMedia also provided additional, limited funding to cover some of the MAC's travel and administrative expenses.

In May 2002, the president of the CJA, Dragutin Lucic, and IREX staff member Davor Glavaš met with the chair of the Parliamentary Committee on Media to discuss the current draft laws and reform process. At that time, the Government of Croatia was considering three media-related laws. The MAC in return established three small working groups to review each individual law and formulate concrete proposals for reform. The working groups finalized all their suggestions and submitted them to media lawyers, who redrafted the ideas into legislative language that could be shared with the Parliamentary Committee.

MAC continued its efforts on legislative reform, discussing primarily suggestions to the Telecommunications Law and general guidelines for the Media Law. Its focus was on coming up with a more precise definition of the cross-ownership problem (e.g., a newspaper publisher also owning a broadcast station in the same area), antitrust (antimonopoly) provisions, and the need to develop a more adequate legal definition of vertical integration -- some of the biggest publishers in Croatia combine the role of publisher with the role of owner of a printing press and/or national distribution network. Such integration is a potential threat to the existence of smaller publishers. In addition to formal meetings, the members of MAC also consulted informally with each other almost daily regarding this media legislation.

Also in 2002, MAC representatives met with Antun Vujic, Croatian Minister of Culture, who said his Ministry had considered and would accept most of the Media Advisory Committee's suggestions for the new Media Law. The Media Law was an umbrella law covering print and broadcast media in areas such as registration of ownership, access to information, and issues of monopoly/anti-trust. The Ministry of Culture was designated the prime author for this law.

The MAC and IREX concluded 2002 by organizing a conference on the Telecommunications Law on December 16. The conference was open to the public and contributed to a large extent to the identification of key problems commercial broadcasters face in addition to providing possible solutions. This was an important step towards not only shaping a new and more transparent – and therefore encouraging – public debate, but also more involvement of the NGO sector in the process of identifying, drafting and adopting legislation.

In June 2003 IREX and MAC issued their strong opposition to a new amendment that treated libel under the Penal Code. The amendment would impose severe restrictions on both publishers and editors/reporters. MAC also ensured that all of the relevant international institutions (e.g., OSCE, CPJ, Article 19, and Reporters Without Borders) were informed about the problem. IREX and MAC anticipated that international pressure on the government would result in the withdrawal of the new amendment. In July 2003, IREX had meetings with the Ministry of Justice and Croatian PM's Chief of Staff to explain MAC's and IREX' position regarding media and media related legislation and warned the government about the potential consequences of implementing recently adopted amendments. The Government assured IREX that the amendments would be modified at the first session of the Croatian parliament after the summer break.

The NUT association of local TV stations and the Association of Independent Radio (AIR) were also very active in advocating for legal reform and monitoring the government's actions in drafting new media legislation. Several of the draft laws posed significant threats to the continuation of the CCN network and the financial viability of local radio and TV stations in general. A provision of one draft law would have reduced the number of allowable hours of networking among stations from five hours per day to one and a half. NUT filed formal

comments with the relevant ministry, participated in public forums to discuss the new laws, and worked with the CJA for modifications to the drafts.

Similarly, the associations continued to press for the assignment of three percent of the government tax on radios and television sets in each household to local stations; such assignment is to be collected only in the area served by each station. Other European countries have used this method to help support local news and information programming the government requires each station to provide.

With IREX assistance, the two broadcast associations, NUT and AIR, lobbied for fair music rights as well. The Croatian organizations ZAMP and HUZIP are the exclusive representatives of musicians and composers for the purposes of setting and collecting copyright fees. All of the broadcast associations' member stations agreed that it was important to pay for music rights and intellectual property but felt the ZAMP/HUZIP fees were exorbitant, often 15 to 20 times greater than those paid by stations of similar size in other European countries. In late 2001, IREX asked the law firm of C&B to conduct research on current European regulations and fee structures to support the associations' claims. With the research in hand, the associations were able to negotiate better rates for NUT and AIR member stations.

In the spring of 2002, HRT's Transmitter and Link Department was finally privatized and separated from the Croatian state broadcaster. Two years after IREX initially recommended and proposed the idea of reform, the old HRT department began to operate as an independent company. IREX assisted HRT to prepare for this crucial reform, which opened several windows of opportunity for private broadcasters in Croatia. The HRT Transmitter and Link Department operated several hundred radio and television transmitters throughout the country and also provided fiber optic and microwave links between HRT facilities. Now that the department is a private company, private broadcasters are able to lease tower space and transmitters from the independent company and utilize its technical resources. The new company continues to provide services to HRT, as well, but on a fee-for-service basis.

ACTIVITY RESULT IV: Association Development: Supporting institutions exist and function in the professional interests of media.

To ensure that professional media associations were self-sustainable and continued to conduct activities after the completion of ProMedia II, IREX worked with a few select associations to institutionalize strategic business planning and develop activities that will raise revenue, which will in turn allow them to continue to support their members through training, advocacy, and other services.

Developing Self-Supporting Associations

Over the course of the ProMedia II program, IREX was instrumental in encouraging the creation of several new associations, as well as working with several existing associations to further their development. The following associations received technical assistance and/or financial support under the ProMedia II program:

Croatian Journalists Association (CJA) In early 2000 CJA's president and the general secretary agreed to begin a lengthy strategic planning process with IREX assistance. Following the approval of CJA's executive board, IREX began providing technical assistance to help the

association with their planning efforts. CJA was close to self-sustainability at this point, therefore strategic planning was intended to help the association focus on its essential services and programs for members (See also activities A6 and B1.)

National Association of Television (NUT) The National Association of Television Stations (NUT) received IREX assistance on several issues of importance to the association's member stations. In early 2001, NUT was able to convince the Telecommunications Council that a wholesale review of concession assignments was not necessary. The Telecommunications Council also agreed, at the urging of the association, to remove a provision in the concession renewal process that would single out payment of music licensing fees as one of the most important criteria for receiving a renewal of a concession. As a result of IREX efforts and pro bono work from IREX's strategic partner Covington & Burling, NUT was also notably successful in convincing ZAMP/HUZIP to lower its high fee schedule. ZAMP/HUZIP decreased the stations' fees by approximately 75%, and allowed the stations to pay off accumulated past debt in monthly installments. As ZAMP/HUZIP offered its agreement only to NUT members, TV stations clearly saw the power and advantages of united action through an association and membership in the association became more attractive.

Association of Independent Radio (AIR) IREX provided substantial technical assistance to AIR to improve its financial management system and organizational structure. Tea Rojnic, the office manager for AIR, developed new financial reporting systems with IREX assistance and began providing information to the association's director on a monthly basis. As a result, AIR now has a transparent financial system that is easy to understand and use, and allows the association to produce solid and well-documented financial reports for its members. (See also activity A5)

National Publishers Association A group of Croatian publishers formed the Association of National Publishers in March 2002. IREX had previously made several attempts to organize the Croatian publishers and encourage them to form an association in order to conduct lobbying efforts on behalf of all national publishers and to work together to address common problems such as distribution, value added taxes (VAT), and various other government regulations related to print media. The Association of National Publishers now falls under the umbrella of the Croatian Chamber of Commerce.

Association of Publishers of Local Papers (APLP) IREX provided technical and financial assistance to the APLP in order to assist the local newspapers in the network to achieve self-sustainability and attain a higher level of independence from national, regional or local political and economic influences. The assistance enabled the papers to improve the quality of their journalism and increase the variety of information sources, which attracted more readers and advertisers, and encouraged the member papers to adopt sound business management practices, which subsequently allowed the private media outlets to become or remain financially viable.

Small Grants to Associations

IREX provided small grants to cover a portion of operational costs to three associations under the ProMedia II program – the Croatian Journalists' Association (CJA), the Association of Independent Radio (AIR), and the Association of Publisher of Local Papers (APLP). IREX ended its direct support of the CJA and the AIR in late 2002, but continued to offer advice and technical assistance to both associations. Support to APLP began in September 2003 and ended in August 2004.

CJA was founded in the 1920's but suffered financially during the Tudjman era. IREX supported the CJA's operations throughout 2001 and 2002, and provided grants to cover Albert Kapovic's position as the director of the association. Kapovic managed the day-to-day operations of CJA and worked with IREX consultant Gordana Svirac on the association's business plan. As IREX decreased grant funding to the CJA, Kapovic continued to work with the association as an official employee on its payroll. IREX helped to restructure the organization and assisted the development of a strategic plan for future activities. As a result of IREX assistance, CJA has been able to take over as one of the main providers of journalism training in Croatia after the close of the ProMedia II program.

IREX began working with AIR in 1998 under the ProMedia I program and continued its efforts throughout ProMedia II. IREX helped AIR to expand its membership and improve its business practices. With grant funding provided by IREX, the association was able to build and maintain a satellite network, which made it possible for AIR members to broadcast news and receive feeds from the BBC World Service Croatian Section in Zagreb.

IREX was instrumental in the creation of the APLP in 2002 and IREX staff member Davor Glavas provided significant technical assistance to the association's members. In the fall of 2003, IREX awarded a grant to the association to pay for the development of an Internet platform for sharing content, and to cover the cost of a daily news service subscription.

Freelance Workshops

More journalists have recently found themselves with the status of "freelancer" as economic changes ripple through the media sector and the economy as a whole, and media outlets are forced to cut costs. IREX provided informational workshops and training for freelance journalists in order to ensure that journalists in this segment of the media are able to work properly and are treated fairly. The first in a series of short workshops was held on June 28, 2000, with twenty-two freelance journalists in attendance, 55 percent of which were women. The three-hour program was designed to inform freelancers of their rights (e.g., payment, taxes and other issues) and provide information on how to function as a business. Panelists discussed bookkeeping, running your own business, and the health and pension benefits of freelancing. Much of the discussion also focused on improving the legal status of freelancers.

IV. CONCLUSIONS

The successes of the ProMedia II program in Croatia have laid a firm base from which Croatian media can continue to move forward: professional independent outlets and networks exist; associations serve as effective advocates and training providers for their members; and new media legislation reflects the changing media landscape in Croatia, putting public and private media on a more equal footing.

The new government coalition that was formed after the November 2003 elections has attempted to co-opt the media more explicitly than the previous government, especially when it comes to control of the national public television, reminding some media professionals of the experiences of the 1990s. However, today's journalists associations, nongovernmental organizations (NGOs), and public opinion in general have managed to prevent a significant return to the period of government direction of the media. Journalists are still subject to different

types of subtle censorship or self-censorship, as they are pushed to represent the interests of media owners who seek to use their outlets to promote political or business agendas, but direct influence of and pressure on the media is less significant than in years past.

Croatian media today are to a large extent unregulated and subject to free-market rules. With more than 150 broadcasters—four national television channels, 14 local television stations, five national radio stations, and 131 local radio stations—plus six nationwide and seven local dailies and more than 900 other print publications, the Croatian media landscape is quite diverse. Balanced, objective, and well-sourced reporting is still the weakest point of Croatian journalism, although the quality of journalism and the range of topics and issues covered by the media have improved. Training workshops provided through the ProMedia program have expanded journalists' understanding of various topics, increased the use of investigative reporting techniques, and developed expertise in niche reporting areas.

The Croatian Journalist Association provides ethical and professional direction to journalists, and some publishers and broadcasters have also instituted codes of ethics and professional standards at their media outlets. A new cadre of younger journalists is generally better educated, especially in computer skills, than the older generation, but there is still a gap in professional skills that is difficult to fill without the opportunity for on-the-job mentoring from more experienced colleagues, who are turning more and more to freelance work either by choice or as a result of cutbacks from media owners.

For the most part, printing facilities are privately owned and have no limitations or restrictions on operations. Importing of newsprint is completely unrestricted. Many publications are searching for cheaper printing options in countries other than Croatia and the resulting competition has reduced printing house rates. Subscription-based sales and alternative distribution methods for print publications are springing up and although Tisak is still the dominant distributor, there are more options available now than five years ago. Technical facilities and equipment at TV and radio stations are generally modern and efficient, and broadcasters tend to have the necessary equipment for producing relatively high-quality news products.

With 150 registered and licensed radio and television stations in Croatia, the number of broadcasters is still more than a market of only 4.5 million people can support. However, the current situation does represent a reasonably fair distribution of power, coverage, market share, and political orientation for broadcasters. At most broadcast media, advertising income is insufficient to support basic newsroom costs and, for this reason, many local stations use the national news agency HINA or a network news provider as their news source. The print media are faring substantially better and readers have a choice of six national and seven local daily newspapers. These papers report on all important local, national, and international issues. IREX-supported networks CCN, AIR and the APLP have helped many of the independent media outlets decrease their costs by sharing content and programming and gain additional revenue through joint advertising campaigns.

New media-related legislation adopted since the beginning of the ProMedia program has increasingly provided for the reality of today's media landscape, which includes both private and public media. Legislative officials and parliamentary committees are beginning to look to the expertise available through the Media Advisory Committee, which continues to draft, review and comment on new media laws. The professional media associations in Croatia have also become savvier and are participating in the public discussions of media-related legislation and improving their lobbying and advocacy skills in an attempt to protect the rights of their members.

With the end of the IREX-administered ProMedia II program in September 2004, Croatia is now left almost without any international media support. In the 1990s, IREX/ProMedia, Open Society Institute, Press Now, Swedish Helsinki Committee, the US Information Service, and others were all very active, though most foreign media foundations withdrew their support from Croatia in 2001 and 2002. As a result, most media were forced to find ways to become self-sustainable quickly, which contributed to both positive and negative trends in the development of the Croatian media sector. Overall, the independent media in Croatia have made significant improvements since the beginning of the ProMedia II program in October 1999.